## REMARKS

Claims 1-20 are currently pending in the present application, none of which has been amended.

Per telephonic conversation with the Examiner on April 27, 2007, no correction is required on paragraph, line 14 of the specification.

## Rejection under 35 U.S.C. § 103

Claims 1-20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Clark*, *II et al.* (US 5,686,912) in view of *Cooklev* (US 6,289,130) and *Jaquette et al.* (US 6,271,775). Applicant respectfully traverses such rejection.

Claim 1 (and similarly Claim 11) recites steps of "in response to said determined cost difference being less than a low limit value, transmitting all characters previously stored in said buffer," "in response to said determined cost difference being greater than a high limit value, transmitting all codewords previously stored in said buffer," and "in response to said determined cost difference being inclusively between said low limit value and said high limit value, deferring data transmission from said buffer."

On page 3 of the Office Action, the Examiner asserts that the claimed step of "in response to said determined cost difference being less than a low limit value, transmitting all characters previously stored in said buffer" is disclosed by *Clark* in blocks 50 and 54 of Figure 2, and the claimed step of "in response to said determined cost difference being greater than a high limit value, transmitting all codewords previously stored in said buffer" is disclosed by *Clark* in blocks 56 and 60 of Figure 2. The Examiner states that the claimed step of "in response to said determined cost difference being inclusively between said low limit value and said high limit value, deferring data transmission from said buffer" is not disclosed by *Clark*, but then the Examiner asserts that it is disclosed by *Jaquette* in blocks 206 and 208 of Figure 2A. The Examiner then concludes that the combined teachings of *Clark* and *Jaquette* would teach or suggest the above-mentioned claimed steps.

It seems that the Examiner has characterized the claimed cost difference as *Clark*'s compression coefficient, the claimed low limit value as *Clark*'s raw threshold, and the claimed high limit value as *Clark*'s compression threshold. According to *Clark*, when the compression coefficient is not less than the raw threshold (*i.e.*, the claimed low limit value), the compression remains in the compressed mode, and when the compression coefficient is not greater than the compression threshold (*i.e.*, the claimed high limit value), the compression remains in the raw mode. Thus, *Clark* does not teach or suggest the claimed step of "deferring data transmission from said buffer" when the cost difference is between the low limit value and the high limit value, as the Examiner has stated.

In Figure 2A of Jaquette, the term "compression potential sum S(p)" is used. It is clear that Jaquette's compression potential sum is so different from Clark's compression coefficient such that the two terms are not interchangeable. But assuming arguendo that the two terms can be interchanged, then the Examiner would be characterizing the compression potential sum as the claimed cost difference. Thus, according to Jaquette, if the compression potential sum falls between a first threshold T and zero, the process simply proceeds to block 210 for further comparisons. It is unclear how the Examiner's assertion of "this second threshold represents an educated guess" is related to the claimed step of "deferring data transmission from said buffer." Basically, none of the result blocks (such as blocks 207, 209, and 212) after the comparison blocks (such as blocks 206, 208, 210-211, and 213-216) teaches or suggests the claimed step of "deferring data transmission from said buffer."

Because the cited references, whether separately or combined, do not teach or suggest the claimed invention, the § 103 rejection is believed to be overcome.

## **CONCLUSION**

Claims 1-20 are currently pending in the present application. For the reasons stated above, Applicant believes independent Claims 1 and 11 along with their respective dependent claims are distinguished over the cited references under § 103, and should be in condition for allowance. The remaining prior art cited by the Examiner, but not relied upon, has been reviewed and is not believed to show or suggest the claimed invention.

No fee or extension of time is believed to be necessary; however, in the event that any fee or extension of time is required for the prosecution of the present application, please charge it against Dillon & Yudell Deposit Account No. 50-3083.

Respectfully submitted,

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